

What is an Executive Decision?

It's a business decision with the main objective of focusing on Customer Service and Savings; both Hard Savings [Dollars] and Soft Savings [Time].



What kind of Executive Savings are there?

Contract Savings
Process Change Savings
Vacancy Savings
Cost Avoidance Savings



EDs are based on:

P: Plan
D: Do
C: Check
A: Act



ONESHEET

Center of Operational Excellence

The Executive Decision

NEBRASKA

DEPT. OF ADMINISTRATIVE SERVICES

Contract Savings:

Savings achieved on re-negotiating a contract, or when you can get the cost of the contract down past the budgeted amount.



FAQs on Executive Decisions [Executive Savings]:

Q: We mail out 10,000 letters each quarter. We normally pay \$0.10 for each envelope. I was able to find envelopes that cost \$0.05, is that an Executive Savings?

A: Yes. It's a great example of Cost Avoidance. You were able to save \$500 a quarter, or \$2,000 a year.

Q: We are getting ready for a big training event attended by 20 staff. Normally we all take a different state car. This year we are carpooling, is that an Executive Savings?

A: Yes. If two people carpool together, you cut the cost of travel in half.

Q: We budgeted for a new piece of equipment at a cost \$40,000. I discovered Region 1 has the equipment we need, and they do not use. If I have the equipment sent to our Region 5 is that Executive Savings?

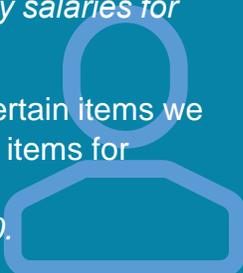
A: Yes. Let's assume it cost \$2,500 to transport the equipment to the new region, you saved \$37,500.

Q: I have two FTEs we need to fill, but we decide not to fill them this year. Is that Executive Savings?

A: Yes. It's an example of Vacancy Savings. The yearly salaries for each position would be Executive Savings.

Q: We contract with a supplier for \$20,000 to supply certain items we need. I was able to get the supplier to get us the same items for \$15,000.00. Is this an Executive Savings?

A: Yes, a great example of Contract Savings of \$5,000.



Process Change Savings:

Savings achieved when a process has been changed. The savings can be soft, hard, or both.



Vacancy Savings:

Savings from postponing the hiring a budgeted FTE. It can also be when you hire someone at a wage lower than budgeted.



Cost Avoidance Savings

The ability to move equipment, or people, from one area to another without having to purchase, or hire.



What is the ROI?

The ROI is the "Return on Investment." Your PIC has access to the "ROI Worksheet" and the "ROI Cover Sheet." Both the worksheet and the cover sheet will help you in determining the savings you achieved and is shared with the State Budget Office.



Need More Help?

Reach out to your PIC, or the Center of Operational Excellence.

